



## An analysis of financial pattern of Grama Panchayats: A case study of Yelandur Taluk, ChamaraJanagar District

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### Abstract

Mahatma Gandhi favoured village Swaraj or self-rule and strengthening the village panchayat to the fullest extent. It is widely accepted that self-governing institutions at the local level are essential for rural development and national growth. Because of its closeness to the people and location, a local government can plan for social, economic and manpower betterment more efficiently than a central government. The financial resource received in the form of grants from Finance Commission, funds transferred from state government and locally raised taxes are found generally inadequate to meet GPs targets. In this context the present study tries to analyse the trends of finance and revenue and expenditure of GPs in Yelandur taluk. This study is based on both primary and secondary data. Based on the Human Development Report (HDR) 2015, four Grama Panchayats (GPs) in Yelandur taluk were selected for the study. Trends in receipts and expenditure of the select Gram Panchayats were analysed. It is observed that though there is an increase in the flow of funds, there is greater variability in the utilization of funds.

**Keywords:** expenditure, function, grama panchayat, panchayat development, revenue

### 1. Introduction

Decentralisation is not only unique to any one nation, but it is a global trend. On the basis of empowerment of local communities, central government can control the local bodies (urban and rural) through transfer of some powers like political, administrative and fiscal responsibilities [1]. Local government is a structure of public administration in the lowest tier of administration within a given state. The local governments are working as agent, adviser, actor, manager and partner. This will get more help to reduce the agency role and expand the self-governing actor role. Generally, local governments use its powers and functions given by legislation or instructions of higher level government. Governance is a complex concept and decentralization has been a key concept in progressive reform strategies in developing countries for promoting qualitative governance [2].

Mahatma Gandhi favoured Village Swaraj or Self rule and strengthening the village Panchayat to the fullest extent. His idea of Village Swaraj was that the village would be a complete republic independent of its neighbours for its own vital requirements and yet inter-dependent for many others in which dependence is a necessity. These will have all the authority and jurisdiction required.

In Karnataka, Panchayat Raj was introduced on November 01, 1959 when the Mysore Village Panchayat and Local Boards Act, 1959 was passed. Further to strengthen the PRIs on the basis of recommendations of Ashok Mehta Committee, the Janata government enacted a legislation called as, The Karnataka Zilla Parishads, Taluk Panchayat Samithis, Mandal Panchayats and Nyaya Panchayats Act, 1983. In an effort to

strengthen the PRIs, a bill on Panchayati Raj was introduced in September 1991 and it was passed in December 22, 1992 as the 73<sup>rd</sup> Amendment Act 1992 with minor modifications and came into force on April 24, 1993. Karnataka was first state to pass a new legislation in 1993, namely, the Karnataka Panchayat Raj Act (KPR Act), 1993. The Act provides for a three-tier structure of Panchayat Raj with Zilla Panchayats (ZPs) at district level, Taluk Panchayats (TPs) at taluk level and Gram Panchayats (GPs) at village level.

As per Local Government Directory of India, at present (April 2018) India is having 29 states and 7 union territories. 601 Zilla Panchayats (ZPs) are established out of 717 districts, 6,307 Taluk Panchayats (TPs) are established out of 7,062 blocks and 2,48,752 Grama Panchayats (GPs) are established out of 6,51,581 villages. India has 6,801 traditional bodies and 4,398 urban bodies [3].

### 2. Review of Literature

Musgrave R A (1959) found in his theory of public finance that three major functions to be carried out by the various layers of government, which are resource allocation, redistribution and stabilization functions. To reach the stabilization functions all local level governments are needs some degrees of coordination between them and this could be done only at central government level. Central government can achieve the redistribution function with the help of some types of adjustment in the administration level. However, in case of allocation function, it varies from states to states, so with the help and coordination of local governments only government can achieve this function. Hence, this is clear that

<sup>1</sup> World Bank 2000.

<sup>2</sup> Villadsen 1999.

<sup>3</sup> Local Government Directory, GoI.

to achieve this major three function governments need help from central, states and all layers of local governance.

A study by David and Wildasin (2009) reviews the role of fiscal assistance in higher-level governments and local governments. To increase the financial efficiency of local government, the study suggested that federal assistance to states and localities may provide useful macroeconomic stimulus and financial support.

Babu (2009) studied the financial position of panchayats in India. The specific objectives of the study were to bring out the legislative provisions relating to finances of Panchayat Raj Institutions (PRIs) and analyse the structure, growth and composition of revenues, and examine the role and impact of State and Central Finance Commissions on panchayat finances and also suggest policy measures to strengthen the finances of PRIs. The paper reveals that the panchayats have very little fiscal autonomy and locally raised revenues are very negligible and also the funds flows from higher level governments are very low. There is a lack of any devolution design or principles. The transfers are made at the convenience and mercy of such governments. It was observed that borrowings play an important role in development finance. The author observed that FCs are follows ad hoc measures.

Vithal C P (1999) study revealed that the major problems afflicting PRIs in resource mobilization are 'political factor, administrative factor, and economic factor'. He noted that the finance of the panchayats has been founded to be uniformly poor and most of the funds of village panchayats consisted of government grants only. The incidence of taxation was very low and this was found in Kodumur grama panchayat in Kurnool district which was less than one rupee.

### 3. Objectives and Hypothesis of Study

Though the governments are providing higher financial assistance to GPs with respect to development of rural areas, to carry out increased role and responsibilities, but still GPs are facing insufficient resources to achieve their goals. Therefore it is high time to analyse the major functions and trends of finance of GPs in the study area.

#### The specific objectives of the present paper are

1. Analysing the major functions of Grama Panchayats in Yelandur taluk
2. Analysing the revenue and expenditure of Grama Panchayats in Yelandur taluk

**Hypothesis:** There is a significant difference in the growth rate and pattern of revenue and expenditure of Gram Panchayats in Yelandur taluk.

### 4. Methodology

This study is based on both primary and secondary data. The secondary data were sourced from documents of the Rural Development and Panchayat Raj Department (RDPR) of Government of Karnataka. By using questionnaire method primary data were collected from Grama Panchayats of Mamballi, Agara, Yeriur and Ambale in Yelandur taluk. Additional information was also collected from reviewing various existing theoretical and empirical studies on the topic, official documents and periodicals. The sample GPs were selected on the basis of Human Development Report (HDR) 2015, published by Abdul Nazir Sab Institute of Rural Development and Panchayath Raj and Government of Karnataka. Based on the report top two GPs (Mamballi and Agara) and lowest two GPs (Yeriur and Ambale) in HDR ranking from Yelandur taluk were selected. Simple statistical tools like growth rate and Coefficient of Variation (CV) have been used to analyze the data.

### 5. Socio-Economic Status of Selected Grama Panchayats

Demographic and socio- economic status of the sample Gram Panchayats is discussed in the following paragraphs.

#### 5.1 Demographic Status

As per census of 2011, there are 16,840 households living in Yelandur taluk. Within the range of 1066 to 1762 households having in select GPs in Yelandur taluk, Yeriur GP is having the highest households and Agara GP is having lowest households. The population of Yelandur taluk is around 73.30 thousand, out of which 36.79 thousand are male and 36.50 thousand females. Female population is higher in all the three GPs, except Yeriur GP (Table 1).

**Table 1:** Number of Households and Population (2011 Census)

Gram Panchayat	Number of Households	Population		
		Male	Female	Total
Mamballi	1245	2912	2999	5911
Agara	1066	2217	2283	4500
Yeriur	1762	3910	3678	7588
Ambale	1473	3015	3151	6166
Total Yelandur Taluk	16840	36787	36503	73290

*Source:* Census of India – 2011.

#### 5.2 Literacy Status

The status of literacy rate, the literacy rate in Yeriur GP is below the taluk average compared to other three GPs in Yelandur taluk. Mamballi GP is having higher literacy rate (69.7 per cent). The male literacy rate is higher than female literacy rate among all the four GPs of Yelandur taluk (Table 2).

**Table 2:** Literacy Status in Sample Gram Panchayats (2011 Census) (in percentage)

Gram Panchayat	Literates			Illiterates		
	Total	Male	Female	Total	Male	Female
Mamballi	69.7	74.0	65.5	30.3	26.0	34.5
Agara	59.2	66.3	52.3	40.8	33.7	47.7
Yeriur	50.4	53.4	47.3	49.6	46.6	52.7
Ambale	54.5	59.9	49.3	45.5	40.1	50.7
Yelandur Taluk	54.1	58.9	49.2	45.9	41.1	50.8

*Source:* Census of India – 2011.

### 5.3 Status of Human Development

The sample GPs were selected based on the Human Development status of the GPs as per the Human Development Report (HDR) of Karnataka (2015). The top two and bottom two GPs in Yelandur taluk were selected. It is observed that Mamballi and Agara GPs are having highest

Human Development Index (HDI) values of 0.5253 and 0.5084 respectively. These are the top two ranking GPs in Yelandur taluk. Yeriur and Ambale GPs are the least ranking GPs in HDI values of 0.3825 and 0.3777 respectively. It is observed that the standard of living values are very low among all the four GPs, it is less than 0.2201 (Table 3).

**Table 3:** Status of Human Development in Grama Panchayats

Gram Panchayats	Standard of living	Rank in the State	Health Index	Rank in the State	Education Index	Rank in the State	HDI Value	Rank in the State
<b>Yelandur Taluk</b>								
Mamballi (1)	0.2201	670	0.9758	2796	0.6750	2614	0.5253	765
Agara (2)	0.2026	951	0.9758	2796	0.6648	2952	0.5084	1067
Yeriur (11)	0.1301	3183	0.9255	4748	0.4647	5701	0.3825	4577
Ambale (12)	0.1059	4177	0.9758	2796	0.5216	5484	0.3777	4675

*Source:* Performance of Grama Panchayats in Karnataka, Human Development – 2015, ANSSIRDPR, GOK.

### 6. Major Powers and Functions of Grama Panchayats in Karnataka (According to 73<sup>rd</sup> amendment of 1993 Act)

Certain powers and function were provided to the Grama Panchayats in Karnataka through Karnataka Panchayat Raj Act (KPR Act), 1993 with the objective of decentralizing governance and improve the delivery system at the grass root level. The basic functions of GPs are providing primary health, primary education, safe drinking water, street lighting and sanitation, protection of environment, management of common property resources and other services which helps to increase over all development of the GPs and rural areas.

The present study reveals that all the four GPs in Yelandur taluk are having all the powers and functions under the KPR Act, but they do not have separate budget allocation, separate department and official staff for handling these functions, except markets and fairs and maintenance of community assets functions. All the four GPs are having full power of identification of beneficiaries and supervising of all functions. GPs are more dependent on Executive Officer (EO) at taluk level and Chief Executive Officer (CEO) at district level to get approval of beneficiaries, fund sanctions, fund allocation and final certifying of particular functions. But GPs are performed independently only with regards to functions of cultural activities, markets and fairs, maintenance of community assets which mentioned in KPR Act.<sup>4</sup>

### 7. Revenue and Expenditure Status of Grama Panchayats

The local bodies play an important role in the democratic process. It is observed that, over the years financial resources generated by these local bodies are always in short fall to meet the basic requirements of people. The devolution of resources from Central to States is a salient feature of Indian federal finance system. As per this system state government receives share in Central taxes and duties and various grants and loans towards execution of their developmental and non-developmental programmes every year. The three channels of such financial transfers are Finance Commissions (FCs) formed under statutory provisions of Constitution, Planning

Commission (PCs) or Niti Ayog and Central Ministries (CMs). Time to time SFCs and CFCs are changing their formula and weightages as per requirements of the local PRIs. Government has provided some powers to Panchayat Raj Institutions (PRIs) to raise their financial resources within the powers allocated to them. PRIs can raise their own source revenue through collecting tax and non-tax, tax can collected from agriculture, tractor, pump sets, entertainment and others sources and non-tax revenue can be raise through sale of properties, rent from buildings and shops, fines, etc.

### 8. Trends in Revenue Received by Grama Panchayats in Yelandur Taluk

The average revenue of selected GPs in Yelandur taluk for a period of 7 years is presented in the Table 4.

There are variations in share of OSR and Grant in Aid in total revenue of four GPs of Yelandur taluk. Among the four GPs of Yelandur taluk, the percentage of average grants received from Government is less than 55.5 and the generation of Own Source of Revenue (OSR) is less than 9.3. The average percentage share of Grants-in-Aid received from Government is higher than OSR during 7 years in Yelandur taluk. The CV of Yeriur GP (63.9) is more and it shows least consistency in share of Grant-in-Aid other than three GPs in Yelandur. But in case of OSR the Ambale GP is shows least consistency (CV of 30.0) compares to other three GPs. The variation in OSR and Grant-in-Aid of the Mamballi GP (19.9 and 42.2 per cent) is shows least and more consistency compared to other three GPs in Yelandur taluk during 7 years. The Yeriur GP is received highest average amount of total revenue (Rs. 1.12 crore) compared to other three GPs during the year 2010-11 to 2016-17. Over all Yelandur taluk is received average total revenue of Rs. 0.98 crore during 7 years and it also shows least consistency (CV of 29.4) in total revenue. The average share of Grant-in-Aid (52.8 per cent) and variation (50.3) of Yelandur is higher than the share of OSR and it shows least consistency (Table 4).

<sup>4</sup> Field Survey Data and the Constitution 73<sup>rd</sup> Amendment Act, 1992 on the Panchayats, Government of India, New Delhi.

**Table 4:** Average Revenue of Select GPs during - 2010-11 to 2016-17

GPs	Total Revenue		Share of Grant-in-Aid		Share of Own Source of Revenue (OSR)	
	Average (In Rs.)	Covariance (CV)	Average (%)	Covariance (CV)	Average (%)	Covariance (CV)
Mamballi	10419044.4	25.4	49.0	42.2	9.3	19.9
Agara	8193365.9	21.9	51.1	52.0	8.2	21.8
Yeriyur	11158245.3	34.6	55.4	63.9	7.4	23.2
Ambale	9521222.1	35.6	55.5	43.1	8.8	30.0
Yelandur Taluk	9822969.4	29.4	52.8	50.3	8.4	23.7

Source: Field Survey Data - Audited Reports of Concerned Grama Panchayats.

### 9. Share of Tax and Non-tax Revenue

The share of tax and no-tax revenues in OSR of select GPs in Yelandur taluk for a period of 7 years is presented in the Table 5.

The generation of average OSR among four GPs in Yelandur taluk is around Rs. 7.51 lakh and the CV is shows least consistency (23.7). The non tax revenues are playing a major role in total OSR of all the four GPs during 7 years. Around 63.1 per cent of average non tax amount contributed to the total OSR and the non tax revenues are showing more consistency (CV of 37.7) compare to tax revenue in Yelandur taluk. More than 56 per cent of non tax amount contributed to total OSR in all the four GPs. The role of average percentage of tax revenue is around 36.9 and consistency level is very less (CV of 42.4) compared to non tax revenue in Yelandur

taluk. The variation in total OSR of the Ambale (30.0) is higher and Mamballi GP (19.9) is lower than other three GPs in Yelandur. The Yeriyur GP is having more consistency (CV of 25.0) and Mamballi GP is having least consistency (CV of 57.8) in tax revenue among four GPs in Yelandur. The Yeriyur GP (43.8 per cent) is generating higher average income through tax collection and Ambale GP (31.8 per cent) is generating least average income through tax collection among four GPs during 7 years. In case of non-tax revenue, the Agara GP is having more consistency (CV of 34.0) and Mamballi GP is having least consistency (CV of 43.4) among four GPs in Yelandur. The Ambale GP (68.2 per cent) is generating higher average income through non-tax and Yeriyur GP (56.2 per cent) is generating least average income through non-tax among four GPs during 7 years (Table 5).

**Table 5:** Average Share of Tax and Non-Tax Revenue in Total Own Source of Revenue (OSR) during -2010-11 to 2016-17

	Tax		Non tax		Total OSR	
	Average (%)	Covariance (CV)	Average (%)	Covariance (CV)	Average (In Rs.)	Covariance (CV)
Mamballi	39.6	57.8	60.4	43.4	876205.5	19.9
Agara	32.3	36.9	67.7	34.0	666219.1	21.8
Yeriyur	43.8	25.0	56.2	34.7	743032.1	23.2
Ambale	31.8	50.0	68.2	38.9	719717.6	30.0
Yelandur Taluk	36.9	42.4	63.1	37.7	751293.6	23.7

Source: Field Survey Data - Audited Reports of Concerned Grama Panchayats.

### 10. Trends in Expenditure of Grama Panchayats in Yelandur Taluk

The average expenditure of selects GPs in Yelandur taluk for a period of seven years is presented in Table 6.

In the entire four GPs of Yelandur taluk, Grant-in-Aid portions are almost playing a major role over a period of seven years. Both the amount of grants and OSR of the GPs in Yelandur taluk are utilised for their development and non-development expenditure. The total expenditure among four GPs in Yelandur is around average amount of Rs. 59.39 with a CV of 51.4 per cent. The average share of Gran-in-Aid (84.6 per cent) is higher than OSR (15.4 per cent) and the share of Gran-in-Aid is having least consistency (CV of 59.0) compared to OSR (CV of 28.1) during seven years in Yelandur taluk.

The Yeriyur GP is having least consistency (CV of 68.1) and Ambale GP is having higher consistency (CV of 51.1) in share of Grant-in-Aid in total expenditure among four GPs in Yelandur. But in case of average share of OSR in total expenditure, the Ambale GP is having least consistency (CV of 37.6) and Mamballi GP is having more consistency (CV of 21.8) among four GPs in Yelandur taluk during seven years. The Yeriyur GP (87.3 per cent) is more dependent and Agara GP (82.7 per cent) is showing least dependent on Grant-in-Aid in total expenditure compared to other three GPs in Yelandur during seven years. In case of average share of OSR in total expenditure, the Agara and Mamballi GPs (17.3 and 16.9 per cent) are more dependent and Yeriyur GP (12.7 per cent) is showing least dependent compare to other three GPs in Yelandur during seven years (Table 6).

**Table 6:** Average Expenditure of Select GPs during - 2010-11 to 2016-17

	Total Expenditure		Share of Grant-in-Aid		Share of Own Source of Revenue (OSR)	
	Average (In Rs.)	Covariance (CV)	Average (%)	Covariance (CV)	Average (%)	Covariance (CV)
Mamballi	6071241.3	46.5	83.1	53.9	16.9	21.8
Agara	5206439.0	55.2	82.7	63.0	17.3	26.7
Yeriyur	7308763.9	61.0	87.3	68.1	12.7	26.2
Ambale	5167994.1	42.8	85.4	51.1	14.6	37.6
Yelandur Taluk	5938609.6	51.4	84.6	59.0	15.4	28.1

Source: Field Survey Data - Audited Reports of Concerned Grama Panchayats.

### 11. Utilisation of Finance Commission Grants

The utilisation of Finance Commission Grants of selected GPs in Yelandur taluk for a period of seven years is presented in Table 7.

The Ambale GP (81.56 per cent) is utilised least and Yeriyyur GP (97.56 per cent) is utilised highest average percentage of FCs grants compared to other three GPs in Yelandur taluk. The average percentage of utilisation of FCs grants of among four GPs in Yelandur taluk is 90.64 and the consistency of

total Grant received (CV of 48.3) is higher than total expenditure of Grants (CV of 65.2). The Ambale GP is having least consistency (CV of 84.0) and Yeriyyur GP is having higher consistency (CV of 55.1) in average utilisation of FCs grants among four GPs in Yelandur taluk during seven years. But in case of revenue received through FCs grants also Yeriyyur GP is having higher consistency (CV of 30.0) and Ambale GP is having least consistency (CV of 80.2) among four GPs in Yelandur during seven years (Table 7).

**Table 7:** Average Receipts and Expenditure (Utilisation) of Finance Commission Grants of Select GPs during - 2010-11 to 2016-17

	Total Grants Received		Total Expenditure of Grants		Average Percentage of Utilisation of FCs Grants
	Average (In Rs.)	Covariance (CV)	Average (In Rs.)	Covariance (CV)	Average (in %)
Mamballi	2193437.9	39.4	1986784.3	48.2	90.81
Agara	2216781.9	43.6	2174632.6	73.4	92.63
Yeriyyur	2745907.1	30.0	2891700.0	55.1	97.56
Ambale	2030030.4	80.2	2218524.0	84.0	81.56
Yelandur Taluk	2296539.3	48.3	2317910.2	65.2	90.64

Source: Field Survey Data - Audited Reports of Concerned Grama Panchayats.

### 12. Status of Housing Schemes (All) of Grama Panchayats in Yelandur Taluk

The status of various housing schemes of selected GPs in Yelandur taluk for a period of seven years is presented in Table 8.

The constructions of houses are basic needs for any rural development. The government of India and government of Karnataka was started various housing schemes for economically weaker section, like Pradhan Mantry Awas Yojana (PMAY), Indira Awas Yojana (IAY), Rural Special Housing for Physically Handicap, Dr. B R Ambedkar Nivas, Basava Housing and Basava Additional Housing Schemes. The governments are increased the number of beneficiaries in

over period of seven years in almost all the four GPs, except some few years. Based on the demand of the houses government will decide the number of beneficiaries. It is observed that almost all the GPs are failure to complete the construction of houses in over seven years. Some houses are still not yet started and some houses are still in progress and due to some documentation problems government was blocked the beneficiaries in all the four GPs in over seven years. The amount spent on housing construction is varied from year to year in all the four GPs. It also observed that governments are tried to increase the number of beneficiaries and tried to encourage the people to build a houses in low cost (Table 8).

**Table 8:** Status of Housing Schemes (All) of Grama Panchayats in Yelandur Taluk - (Year 2010-11 to 2016-17) (in Nos.)

Year	Selected Beneficiaries	Completed	Physical Progress	Un-started	Blocked
<b>Mamballi GP</b>					
2010-11	47	17	5	0	25
2011-12	35	13	3	0	19
2012-13	25	13	2	0	10
2013-14	61	23	17	2	19
2014-15	26	8	4	1	13
2015-16	100	26	6	36	32
2016-17	108	9	13	61	25
<b>Agara GP</b>					
2010-11	53	29	4	1	19
2011-12	30	20	5	0	5
2012-13	21	13	2	0	6
2013-14	55	43	3	1	8
2014-15	22	19	1	0	2
2015-16	79	48	9	5	17
2016-17	78	30	15	23	10
<b>Yeriyyur GP</b>					
2010-11	250	96	21	2	131
2011-12	30	24	1	0	5
2012-13	9	4	1	0	4
2013-14	61	48	9	1	3
2014-15	34	25	3	0	6
2015-16	148	91	16	37	4
2016-17	200	81	35	59	25
<b>Ambale GP</b>					
2010-11	189	77	20	1	91
2011-12	30	21	1	0	8

2012-13	21	14	3	0	4
2013-14	50	42	5	0	3
2014-15	22	14	4	0	4
2015-16	80	46	5	15	14
2016-17	145	43	30	56	16

*Source:* Field Survey Data.

### 13. Conclusion and Recommendations

The present paper made an attempt to understand the gap in the policy and implementation of financial functions by GPs in Karnataka based on the secondary and primary data collected from Yelandur taluk. Field observations of the study reveals gap between the policy and its implementation at the GP level. Though KPR Act has clearly incorporated all the functions and powers assigned to GPs and the mechanisms for discharging the functions, there is much to be desired at the grass root level. It is observed that the autonomy is still not achieved at the GP level. Gram Panchayats are dependent on EO at taluk level and CEO at district level for the approvals.

This study observed that FCs is provided a large amount of grants to all the GPs. As per the instructions GPs should have to utilise 90.0 per cent of grants to basic infrastructure development and 10.0 per cent for administration and maintenance of the GPs. Lower level of utilization of funds is observed in selected GPs of Yelandur taluk. The utilization of FC grants ranges between 81 per cent and 97 per cent. The Grant-in-Aid portions are almost playing a major role over a period of seven years among four GPs in Yelandur taluk. The consistency of total Grant received (CV of 50.3) is higher than total expenditure of Grants (CV of 59.0) in Yelandur taluk.

The study also reveals that financially all the four GPs are failure to generate their own revenue by using local resources. State government has given tax collection powers to GPs. But still the GPs are depending on State and Central grants. With regards to financial aspects, the study has revealed that the share of grants is higher than the share of own funds in all the GPs in Yelandur taluk. The average share of Grant-in-Aid (52.8 per cent) in total revenue of Yelandur taluk is higher than the share of OSR (15.4 per cent). But in case of variation in share of Grant-in-Aid (CV of 50.3) of Yelandur taluk is least consistency compared to share of OSR (CV of 23.7). The non tax revenues are playing a major role in total OSR of all the four GPs during 7 years. Around 63.1 per cent of average non tax amount contributed to total OSR in Yelandur taluk. The share of OSR ranges between 7.4 per cent and 9.3 per cent over a period of seven years among the four GPs in Yelandur taluk.

The study observed in housing projects of governments that there is wide gap between the sanction of houses by GPs and completed houses. The GPs should monitor closely the construction activities of the houses to ensure the completion of the sanctioned houses by government as per scheduled. The sanction of houses by government and the responsibilities of completion of construction of houses by GPs should be increase and make efficient utilisation of sanctioned grants.

During the field work Panchayat Development Officers (PDOs), Secretaries, Presidents, Vice-presidents and Members of the concerned GPs expressed their opinions. As per their opinion, GPs need independent officers and concerned line departments should be under GPs. They also felt that unless

PDOs position is made stronger and equivalent to Gazetted officer, it is not possible for the GP to work efficiently in decentralized governance and reach out to the rural panchayat areas. The study revealed that there are many vacant posts in GPs and it is important to have sufficient manpower to full fill the increasing demands of the people and provide efficient services. As per the Grama Panchayat Development Plan (GPDP) requirements, the concerned Departments, Taluk and Zilla Panchayat should have to plan the development programmes of GPs.

To improve the socio-economic and financial conditions of rural areas and to make efficient utilisation of local resources, the present study strongly recommends that transfer of all the powers and functions including separate departments under the concerned GPs as mentioned in KPR Act 1993. Government should take initiation to increase PDOs powers in administration level. And also government should give training to PDOs, GPs members and administration staff in finding new ways of raising own resources and efficient utilisation of local resources on routine basis. The central and state government should maintain consistent level in flow of grants and funds to the Grama Panchayats.

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